

Tasking Memorandum No. 00-59

Memorandum For Distribution

Subject: Annual Report to Congress on Reimbursement of Contractor Environmental Response Action Costs (TASKING)

Date:

Suspense Date: December 30, 1999

Target Audience: Distribution List

This is a TASKING memorandum and will expire upon completion of the required tasks. The target audience is limited to the distribution list.

Requirements:

- In accordance with 10 U.S.C. 2706(c), the Department of Defense (DoD) must provide annual reports to Congress on reimbursement of environmental response action costs. The Defense Contract Management Command (DCMC), in coordination with the Defense Contract Audit Agency (DCAA), has been tasked by the Office of the Under Secretary of Defense to gather the required information.
- Corporate Administrative Contracting Officers (CACOs) will require DCAA assistance in collecting data. Similar information will be sent to all cognizant DCAA field audit offices by DCAA Headquarters. Therefore, please coordinate with DCAA's cognizant field audit office and ensure the report data sent to DCMC Headquarters is consistent with their report.
- The information should be provided by contractor fiscal year and in total in the following format:

REPORTING FORMAT

Contractor Name

Overhead Rates Settled in FY99

	Estimated DoD Share Of CERCLA Response Action Costs Claimed	Total CERCLA Response Action Costs Claimed
<u>FY Settled</u>		

Pending Certified Overhead Rate Proposals:

	Estimated DoD Share Of CERCLA Response Action Costs Claimed	Total CERCLA Response Action Costs Claimed
<u>FY Proposal</u>		

The data included in the rates should be:

- DOD's estimated share of the environmental response action costs included in final indirect cost rate proposals that were settled (negotiated or audit determined) during Government Fiscal Year 1999, as well as the total of such costs, and
- DOD's estimated share of environmental response action costs included in certified final indirect cost rate proposals that have been actually received by the Government which have not yet been settled and the total of such costs.
- Calculate DoD's estimated share by multiplying the total allowable environmental response action costs by the percentage that represents DoD's share in all contract types, flexibly priced, and fixed priced. For reporting purposes, environmental response action costs are defined as costs incurred to comply with requirements of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, or Super-fund). Contractors' incurring costs to comply with CERCLA should have a general notice letter from the Environmental Protection Agency notifying them of their potentially responsible party status. Costs for compliance with other environmental laws, i.e., Resource Conservation and Recovery Act, state, or local laws, should be excluded from the response. If these costs are not separately identified in cost submissions, then the Administrative Contracting Officer should request that the contractor identify them.
- Data is not required for any small business concerns or commercial companies providing commercial items to DoD. For purposes of this report, a company will be deemed to be commercial if more than 50 percent of its DOD sales are for commercial items as defined in FAR 2.101
- Negative responses are required.
- PLAS Code 044, Establishing Overhead Rates, should be used for this effort.
- Although General Dynamics is listed under the cognizance of the Navy in Attachment 1, DoD asked DCMC to extend this request to all segments of General Dynamics that are under DCMC cognizance. The Navy will collect the data from General Dynamics segments under their cognizance. The data will be consolidated by DoD.
- Please provide the information electronically to Mr. Glenn Gulden at the e:mail address noted below no later than close of business, December 30, 1999.

Point of Contact for Further Information:

Mr. Glenn Gulden

DCMC-OA

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(Signed)

JILL E. PETTIBONE

Executive Director

Contract Management Operations

Attachment- FY98 Top 20 DOD Contractors

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